

KING COUNTY AUDITOR'S OFFICE HIGHLIGHTS OF 2004 ACCOMPLISHMENTS



King County

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MAKING A DIFFERENCE IN COUNTY GOVERNMENT

We are pleased to report that 2004 was a successful year with the completion of 12 audits and special studies that improved county operations, provided information for policy makers, identified cost saving opportunities, and promoted accountability within county government. County agencies agreed to implement nearly 100 percent of the 2004 audit and study recommendations, demonstrating both the value of our work and a shared commitment to improving county government.

that brought the county audit function into full compliance with nationally recognized government auditing standards. The peer review team cited our office's highly professional, credible audit team for excellence in reporting, and noted the 2003 and 2004 awards received from the National Association of Local Government Auditors for our quality reports. We appreciate the recognition received from our audit peers, and are sincerely gratified by the council's support and use of our studies in making policy decisions.

As highlighted below, our work made a difference in 2004. For example, we identified more than \$5 million in fiscal savings. We also developed guidelines to improve countywide performance reporting and to ensure capital project cost estimates are accurate.

Mission Statement

We conduct audits and other studies that identify and recommend ways to improve the accountability, performance, and efficiency of King County government.

We look forward to working with county officials, managers and other stakeholders in 2005 to expand our accomplishments by conducting several new projects and follow-up reviews on the county's progress in implementing past audit recommendations.

Another noteworthy accomplishment in 2004 was the successful completion of the office's first peer review

JAIL COST SAVINGS IDENTIFIED

Operational Master Plan (OMP) and Integrated Security Project (ISP)

Per council mandate, the auditor's office and the Office of Management and Budget convened a joint OMP Advisory Group, staffed by representatives from the executive and legislative branches of county government. The group oversaw the development of the Operational Master Plan for the county jail and the Integrated Security Project for the final design of the jail security upgrade.

Our office also provided quality assurance and oversight of these two projects. In that role, we identified the following estimated savings:

- \$3 million in ISP implementation costs.
- \$380,000 by increasing double-bunking capacity at the Regional Justice Center.
- \$2 million in potential annual operational cost efficiencies through OMP implementations.

We also developed cost models for jail operations and ISP that enable key stakeholders to identify the fiscal effects of potential changes in jail operations and policy. These models have been useful in budgeting and decision making. The auditor's office will continue to provide oversight of the ISP and will have a role in reviewing the implementation of the jail OMP in 2005.

PUBLIC SAFETY EFFICIENCIES POSSIBLE **Performance Audit of the Sheriff's Office**

This audit identified possible improvements in the design of the King County Sheriff's Office's (KCSO) patrol staffing plan and overtime management. Potential audit impacts include:

- More cost effective management of patrol staff planning and allocation.
- Potential crime reduction by aligning patrol activities with agency goals and current best practices.
- Increased accountability to KCSO management, county decision makers, and the public through the development of performance measures.
- Improved overtime oversight and cost control through more detailed reporting.
- Annual savings of \$120,000 by strengthening compensatory time controls.

National Award

In May 2004, we received the National Association of Local Government Auditors' Special Project Award for our King County jail studies. The award recognized the jail studies for their innovative, progressive approach and significant service and financial impacts.

PERMIT PROCESSING EFFICIENCY INCREASED **Department of Development and Environmental Services Workload and Staffing**

The audit reviewed the department's methodology for forecasting workload and staffing levels and, as a result, strengthened management's ability to monitor and evaluate staffing needs. Potential audit benefits include:

- Confirmation that staffing hours allocated to permit processing were reduced, resulting in an increase in the average number of permit reviews conducted per staff between 2000 and 2003.
- Improved accountability to the public through performance measures that track the department's efficiency in processing permits.
- Continued focus on opportunities for measurable performance efficiencies.

FUND DEFICIT SHOULD BE REDUCED **Financial Audit of Workers' Compensation Program**

This audit determined that the county did not maintain sufficient reserves to fund estimated workers' compensation claims and expenses. The county estimated a fund deficit of approximately \$17 million based on anticipated future long-term claim obligations. Potential audit impacts include:

- Development of a multi-year plan for decreasing the fund deficit.
- Full disclosure of the total amount of reserves and full extent of estimated liabilities in county financial statements.
- Improved internal controls and industrial insurance rate information.

OPERATIONAL IMPROVEMENTS TO LOWER COSTS **City/County Joint Study of Records Storage Partnering Opportunities**

This collaborative King County Auditor's Office and Seattle Office of City Auditor study identified

partnering arrangements that could potentially achieve records storage service efficiencies and cost savings. The study identified several short- and long-term options to increase the efficient use of storage capacity and reduce expenses.

BEST PRACTICES WILL IMPROVE PERFORMANCE **Roads Services Division Capital Planning**

This report analyzed the division's practices for developing and programming road capital projects, and preserving taxpayers' infrastructure investments. Potential audit impacts include:

- Complete and consistent methods for conducting economic analysis of potential capital projects.
- Better information for decision makers about operation and maintenance costs, and the benefits of project alternatives.
- Improved documentation of the division's project prioritization process and practices.

PROGRESS MADE ON AUDIT RECOMMENDATIONS **Follow-up Wastewater Treatment Division** **(WTD) Capital Planning**

This follow-up study found that WTD made progress in implementing the recommendations presented in our 2003 capital planning audit. The audit confirmed that WTD:

- Developed guidelines for conducting life cycle cost analysis of proposed capital projects, and is improving the quality of information about existing infrastructure condition and operations costs.
- Streamlined its data management system so information regarding capital projects and budgets will be more readily available to county decision makers and the public.

REFINING MANAGEMENT AND OPERATIONS **PLANNING ELEMENTS**

Jail Health Services Strategic Planning

In conjunction with the follow-up on our 2002 county jails study, the auditor's office is monitoring the development of a strategic plan for Jail Health Services. The planning effort resulted in several changes in management structure and operations. Planning and design of an electronic medical records system is in progress.

CONFIRMED CONTRACTUAL COMPLIANCE WITH **CHARITY CARE SERVICES** **Follow-up on Interlocal Agreement with Pacific** **Hospital Preservation and Development** **Authority**

During the past two years our office was involved in reviewing draft amendments to this agreement. Our emphasis was on ensuring compliance to the intent for providing a measurable level of charity care services to indigent persons. The council approved an amendment in 2004 that is consistent with that intent and provides a solid foundation for monitoring the authority's delivery of specific charity care services.

LEADING EDGE PRACTICES SHOW THE WAY TO **BETTER SERVICES**

Department of Development and **Environmental Services (DDES) Permitting** **Best Practices**

This study identified best practices for public land use and building permit administration to inform ongoing improvements at DDES. This leading edge research generated multiple inquiries from government jurisdictions and academic organizations across the United States regarding the study's methodology and survey results.

ADVANCING COUNTYWIDE PERFORMANCE MEASUREMENT

The auditor's office established a Performance Measurement Work Group to advance performance measurement in King County. Representatives from the Executive, the Office of Management and Budget (OMB), and council staff participated in the work group.

The work group's 2004 accomplishments include:

- Developing a common vision for how business plans and performance measures could be designed to meet the needs of policy makers.
- Creating guidelines for reviewing business plans and performance measures. The guidelines, published with the 2005 OMB budget instructions, clarify how performance measures can be used as an oversight tool and applied in resource decisions.
- Analyzing and providing feedback on four department business plans and performance measures.
- Identifying specific opportunities for further improving the county's business/strategic planning and performance management processes.

In 2005, the work group will be expanded to include members from agencies headed by other elected officials, i.e., the Sheriff's Office, the Office of the Prosecuting Attorney, the Department of Assessments, District Court and Superior Court. It will endeavor to make performance measurement a truly countywide system.

FEWER MEASURES ARE NEEDED

I-Net Performance Measures Study Follow-up

The auditor's office worked with staff of I-Net (the county's fiber optic network) and the council to review the reporting of performance measures developed two years ago. We determined that some performance measures were not useful or relevant and could be discontinued. We also recommended continued reporting of financial-related performance measures on a quarterly basis, and annual reporting of other performance measures relating to technical performance, marketing, and customer satisfaction.

OTHER OFFICE ACCOMPLISHMENTS

MANAGING FOR RESULTS: NATIONAL EXPERT'S SEMINAR

The office sponsored a training session for legislative and executive staff on strategies for "Managing for Results and Service Efforts and Accomplishments Reporting." The training was presented by Jay Fountain, former Assistant Director of Research at the Governmental Accounting Standards Board (GASB) and currently a consultant for GASB.

AUDIT TRAINING AND PROFESSIONAL DEVELOPMENT

By participating in conferences and technical assistance programs, we engage in information exchanges with other professional organizations, such as the US Government Accountability Office (GAO), GAO's International Audit Fellows program, Public Auditor's Office of Commonwealth of the Northern Mariana Islands, Public Administration and Civil Services Bureau of Macau, American Society for Public Administration, Washington Society of Certified

Public Accountants, Association of Government Accountants, and National Association of Local Government Auditors. Annual audit training, also offered by many of these organizations, is required to maintain the office's compliance with generally accepted government auditing standards and audit staff professional certifications.

PUBLIC INQUIRIES ARE WELCOME

The office frequently receives a variety of inquiries from the public, county officials and staff, and other organizations. Last year, we responded to over 90 written inquiries related to various county programs and functions.

County Auditor Receives *Excellence in Government Leadership Award*

The Association of Government Accountants presented its 2005 Excellence in Government Leadership Award to County Auditor Cheryle A. Broom. The award recognized Cheryle's career-long commitment to improving state and local government services through impact-oriented performance and financial audits. It also recognized Cheryle's outstanding leadership in advancing performance measurement and best practices to achieve high-performing and accountable public organizations that promote public confidence and trust in government. Cheryle has directed the completion of audits and studies identifying approximately \$475 million in cost savings and service efficiencies during her career in state and local government.

IDEAS WELCOMED

Please contact our office if you have any questions or suggestions. Find us on the Web for more information on the audit process, completed projects, or new studies scheduled for 2005.

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